IACC HIGH-LEVEL SEGMENT MONITORING MECHANISM
AUSTRALIA
2018-2021
Transparency International Australia (TIA) is part of a global coalition to fight corruption and promote transparency, integrity and accountability at all levels and across all sectors of society, including in government. TIA was launched in March 1995 to raise awareness of corruption in Australia and to initiate moves to combat it. TIA believes that corruption is one of the greatest challenges of the contemporary world. Corruption undermines good government, distorts public policy, leads to the misallocation of resources, harms private and public sector development and particularly hurts the poor. It drives economic inequality and is a major barrier in poverty eradication. Tackling corruption is only possible with the cooperation of a wide range of stakeholders. We engage with the private sector, government and civil society to build coalitions against corruption.

At TIA, we have four focus areas: accountable government, business integrity, accountable mining and accountable infrastructure. This provides a strong evidence base for us to monitor commitments made by the Australian government at the 2018 International Anti-Corruption Conference, and in other forums.

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Every effort has been made to verify the accuracy of the information contained in this report. All information was believed to be correct as of January 2022. Nevertheless, Transparency International Australia cannot accept responsibility for the consequences of its use for other purposes or in other contexts.

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EXECUTIVE SUMMARY

SUMMARY OF FINDINGS

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of commitments made at the 18th IACC</td>
<td>10</td>
</tr>
<tr>
<td>Total number of commitments selected for monitoring</td>
<td>7</td>
</tr>
</tbody>
</table>

Current level of progress in commitment implementation

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of fulfilled commitments</td>
<td>2</td>
</tr>
<tr>
<td>Number of partially fulfilled commitments</td>
<td>2</td>
</tr>
<tr>
<td>Number of commitments not fulfilled/dropped</td>
<td>3</td>
</tr>
</tbody>
</table>

KEY CHALLENGES TO COMMITMENT IMPLEMENTATION

Overall, political interest in and will to implement many of the commitments that the government of Australia made at the 18th International Anti-Corruption Conference (IACC) in 2018 has waned since then. This is despite some very good work done by relevant government departments, including, for example, the development of the Crimes Legislation Amendment (Combatting Corporate Crime) Bill 2019 that, if passed by the parliament, would strengthen Australia’s ability to prevent and respond to corporate crime.

To some degree, COVID-19 has created challenges at both the public service and ministerial levels to pursue new policy and legislative reform in some instances; for example, COVID-19 has affected the parliamentary sitting calendar, with fewer sittings in 2020 and 2021,\(^1\) limiting the opportunity for debate on relevant legislative reforms. However, many legislative changes have been made on a variety of other issues, and there is a sense from some stakeholders that there is little interest from the government in pursuing the necessary reforms needed to implement many of the commitments made at the IACC, and that COVID-19 has provided the excuse for inertia on these commitments.

There is also a sense from some stakeholders that the government considers issues of corruption to be a problem for other countries and not for Australia, and we note that of the three commitments fulfilled two of these relate to international cooperation and support.

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KEY OPPORTUNITIES TO ACCELERATE COMMITMENT IMPLEMENTATION

Australia is a member or supporter of the Financial Action Task Force, Extractive Industries Transparency Initiative (EITI), G20 Anti-Corruption Working Group (and is its co-chair in 2022) and the Open Government Partnership, among others. It is a signatory to the United Nations Convention against Corruption and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Each of these offers a platform for Australia to signal its intention to recommit to relevant initiatives or reform processes. Parliamentary committee and inquiry processes, as well as existing programmes and processes, such as the Modernising Business Registers programme, also offer opportunities to accelerate legislative or policy reform and the implementation of anti-corruption commitments made in international forums like the IACC.

Finally, the Open Government Partnership process, including its multi-stakeholder forum, could be used more effectively to oversee and advise on integrity and anti-corruption issues more broadly and on the implementation of the commitments made in Australia’s first and second Open Government Partnership Action Plans, published in 2016 and 2018 respectively, but which have not yet been fully implemented. This is in addition to overseeing and advising on the implementation of commitments made in Australia’s third Open Government Partnership Action Plan. This plan received the approval of the Open Government Partnership multi-stakeholder forum in late 2020, and is still awaiting government approval. In late December 2021, the Open Government Partnership Secretariat advised they will formally write to the Australian government advising “they had failed to act [by not submitting the national action plan in the required timeframe] and had acted contrary to the OGP process”. We note that the third action plan, if following the standard two-year action plan cycle, should be implemented in the period between 2020 and 2022.

KEY RECOMMENDATIONS

- Undertake the necessary actions needed to fulfil commitments made at the 18th IACC on whistleblower protection, beneficial ownership, extractive industries transparency and combatting corporate crime. These are:
  - Further work could be done to strengthen anti-corruption due diligence in Australian government procurement rules. The review of due diligence processes conducted in 2020

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2 FATF, Members and Observers, https://www.fatf-gafi.org/about/membersandobservers/
3 EITI, Supporting Countries, https://eiti.org/supporters/countries
should be published (as agreed) to inform the development of strengthened due diligence processes.

- It is recommended that Australia enhance protections for whistleblowers including addressing the outstanding recommendations from the Parliamentary Joint Committee on Corporations and Financial Services inquiry.

- It is recommended that Australia establish a centralised and publicly accessible beneficial ownership register for companies, nominee directors and trusts.

- It is recommended that Australia appoint a senior official to lead implementation and reconvene the EITI multi-stakeholder group (which has not met since 2019) as a first step in implementing the EITI. The multi-stakeholder group should then be supported to develop a costed work plan that sets out the objectives and timelines for EITI implementation in Australia.

- It is recommended that the Crimes Legislation Amendment (Combatting Corporate Crime) Bill 2019 (which was first introduced to parliament in 2017) be passed by the parliament as a matter of urgency.

- It is also recommended that legislation be developed and introduced to parliament to address risks and gaps in the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. This must include extending the act to include designated non-financial businesses and professions.

- Establish a robust, independent national integrity or anti-corruption commission, recognising that there is widespread public and political support for such a commission.\(^{12}\)

- Develop a national anti-corruption plan to ensure Australia has a comprehensive and strategic approach to protecting public integrity, ensuring business integrity and meeting Australia’s international anti-corruption commitments. This plan should be consistent with the G20 high-level principles for the development and implementation of national anti-corruption strategies and be developed in partnership with civil society.\(^ {13}\)

- Develop a mechanism – such as a cross-agency taskforce or community of practice – to bring together the different parts of the public service working on integrity and anti-corruption issues to foster greater coordination, effectiveness, support and momentum on these issues by both the public service, relevant ministers and elected parliamentarians.

- Strengthen engagement with civil society in integrity and anti-corruption initiatives, including through forums such as the Open Government Partnership and the Australian National Contact Point for the OECD Guidelines for Multinational Enterprises Governance Advisory Board and with regards to the development and prioritisation of future commitments Australia may make at international forums such as the IACC.

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INTRODUCTION

The 18th International Anti-Corruption Conference (IACC) in Copenhagen featured a series of high-level meetings among countries in the Organisation for Economic Co-operation and Development (OECD) and non-OECD countries as well as international and regional organisations. As part of these meetings, participants made a set of statements on the steps that each intends to take to make progress in the field of anti-corruption, based on existing commitments, such as Open Government Partnership (OGP) action plans, UK summit, United Nations Convention against Corruption (UNCAC), OECD instruments, Sustainable Development Goals (SDGs), etc.\(^\text{14}\)

Participants at the high-level meetings agreed to establish a follow-up mechanism engaging all stakeholders (including governments, international and regional organisations, companies and civil society) in monitoring the implementation of these commitments.

The aims of the follow-up mechanism are to:

- assess the level of progress towards the implementation of the commitments
- provide further analysis on, and complement, other reporting mechanisms
- focus on the qualitative nature of the commitments rather than quantitative scoring or ranking
- provide insights into what has and has not worked and why
- provide insights into the opportunities and challenges for implementation as a basis for understanding where technical support should be targeted

The follow-up mechanism aims to capture the context and conditions under which the commitments are being implemented as well as recording progress in the implementation of the commitments. It provides further analysis on, and complements, other reporting mechanisms, rather than duplicating them.

This report presents the results of the first round of monitoring for Australia.

The report contains the following sections:

1. Filtering of commitments: the results of selecting Australia’s commitments based on an assessment of their level of specificity and measurability, and hence the feasibility of monitoring each one of them.
2. Analysis of the Australian context: a brief analysis of the extent to which the commitments overall are considered pertinent to the country context.
3. Progress in implementing the commitment: presents the level of progress of the commitments selected for monitoring as well as the challenges and opportunities for implementation.
4. Recommendations: the key recommendations to accelerate the implementation of commitments.

\(^{14}\) 18th IACC High Level Segment Commitments, [https://iaccseries.org/18th-iacc/18th-iacc-high-level-segment-commitments/](https://iaccseries.org/18th-iacc/18th-iacc-high-level-segment-commitments/)
FILTERING OF COMMITMENTS

In total, Australia presented 10 commitments at the 18th IACC in 2018. Of these, seven commitments are deemed feasible to monitor based on their level of specificity and measurability, as presented below.

COMMITMENT 1: Strengthen the national anti-corruption framework: Australia will continue to consider and assess all options for strengthening the national anti-corruption framework in order to fill any current gaps and better communicate that framework.

<table>
<thead>
<tr>
<th>IS THE COMMITMENT SPECIFIC?</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>This commitment is not specific because it does not target a sufficiently narrow policy area as a national anti-corruption framework which, while important, can include many different policy areas. Further, the commitment does not identify what gaps in the framework it is intended to fill.</td>
<td></td>
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<table>
<thead>
<tr>
<th>IS THE COMMITMENT MEASURABLE?</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>This commitment is not measurable since it does not commit to undertaking any specific actions (or a timeframe for any action) that will move Australia forward in terms of strengthening its anti-corruption framework. Instead, it only commits to considering and assessing options for strengthening Australia’s anti-corruption framework and to improved communication of that framework. The non-committal language used means the commitment is not measurable.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IS THE COMMITMENT SELECTED FOR MONITORING</th>
<th>NO</th>
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</thead>
</table>

COMMITMENT 2: Enhance the transparency of political donations and funding: Australia will investigate options for enhancing the electoral funding and disclosure scheme.

<table>
<thead>
<tr>
<th>IS THE COMMITMENT SPECIFIC?</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>This commitment is specific because it identifies a sufficiently narrow policy area, namely to enhance the transparency of political donations and funding in Australia.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>IS THE COMMITMENT MEASURABLE?</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>This commitment is not measurable since it does not commit to undertaking any specific actions that will move Australia forward in terms of enhancing its electoral funding and disclosure scheme. (While in its Second Open Government National Action Plan (2018-2020), where this commitment was first made, there is a commitment to “enhancing the timeliness and the accessibility” of electoral funding information, this is not sufficiently concrete). Instead, it only</td>
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commits to investigating options for enhancing Australia’s electoral funding and disclosure scheme. The non-committal language used means the commitment is not measurable.

<table>
<thead>
<tr>
<th>COMMITMENT 3: Expand open contracting and due diligence in procurement: Australia will publish federal government procurement data using the Open Contracting Data Standard schema and review existing procurement due diligence processes.</th>
</tr>
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<tbody>
<tr>
<td>IS THE COMMITMENT SELECTED FOR MONITORING</td>
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<tr>
<td>IS THE COMMITMENT SPECIFIC?</td>
</tr>
<tr>
<td>This commitment is specific. The Open Contracting Data Standard(^\text{16}) is well known and widely implemented, and a commitment to implement the Open Contracting Data Standard therefore moves Australia towards achieving a recognised international standard in the area of public procurement transparency. The commitment to publishing federal government procurement data using the standard also makes this commitment specific. Further, in its Second Open Government Action Plan (2018-2021, commitment 8), which is where this commitment was made, Australia committed to reviewing procurement due diligence processes and to report on the outcome of the review.(^\text{17})</td>
</tr>
<tr>
<td>IS THE COMMITMENT MEASURABLE?</td>
</tr>
<tr>
<td>This commitment is measurable since it commits Australia to publishing federal government procurement data using the Open Contracting Data Standard, which Australia did not do at the time the commitment was made, and to reviewing existing procurement due diligence processes and to publishing the outcome of that review. Undertaking these actions will move Australia forward in terms of expanding open contracting in Australia.</td>
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<tr>
<td>IS THE COMMITMENT SELECTED FOR MONITORING</td>
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</table>

<table>
<thead>
<tr>
<th>COMMITMENT 4: Improve whistle-blower protections in the tax and corporate sectors: Australia will strengthen protections for people who report corruption, fraud, tax evasion or avoidance, and misconduct within the corporate sector.</th>
</tr>
</thead>
<tbody>
<tr>
<td>IS THE COMMITMENT SPECIFIC?</td>
</tr>
<tr>
<td>The commitment is specific because it targets a sufficiently narrow policy area, namely whistleblower protections for people who report corruption, fraud, tax evasion or avoidance, and misconduct within the corporate sector.</td>
</tr>
<tr>
<td>IS THE COMMITMENT MEASURABLE?</td>
</tr>
</tbody>
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Based on how the commitment is formulated it is missing measurable actions on how Australia plans to "strengthen protections for people who report corruption, fraud, tax evasion or avoidance, and misconduct within the corporate sector". However further research shows that this commitment relates to commitment 1.1 in Australia’s First Open Government National Action Plan, 2016-2018, which describes milestones for how the commitment for improved whistleblower protections in the tax and corporate sectors will be legislated. Further, we understand strengthened protection as implementing the recommendations of an earlier parliamentary joint committee. The government had committed to supporting a parliamentary inquiry to examine the Registered Organisations Commission whistleblower amendments (passed by the parliament in 2016) with the objective of implementing the substance and detail of those amendments. The inquiry (the Joint Parliamentary Committee on Corporations and Financial Services inquiry into whistleblower protections in the corporate, public and not-for-profit sectors) had concluded by the time of the 18th IACC. Therefore, this commitment will be considered measurable based on the action to strengthen legislation by implementing the 2017 recommendations by the Joint Parliamentary Committee on Corporations and Financial Services.

| IS THE COMMITMENT SELECTED FOR MONITORING | YES |
| COMMITMENT 5: Improve beneficial ownership transparency: Australia will improve transparency of information on beneficial ownership and control of companies available to relevant authorities. |
| IS THE COMMITMENT SPECIFIC? | YES |

This commitment is specific because it identifies a sufficiently narrow policy area, namely to improve beneficial ownership transparency.

| IS THE COMMITMENT MEASURABLE? | YES |

Based on how the commitment is formulated, it is missing measurable actions on how Australia plans to improve beneficial ownership transparency. However further research shows that this commitment relates to commitment 1.2 in Australia’s First Open Government National Action Plan, 2016-2018. In particular, the Open Government National Action Plan committed the Australian Treasury to: releasing a public consultation paper on a beneficial ownership register for companies (including the use of nominee shareholdings to conceal beneficial ownership); making recommendations on the detail, scope and implementation of a beneficial ownership register; and begin work to implement the recommendation. It can therefore be understood that this commitment is related to the measurable action of establishing a beneficial ownership registry, consistent with internationally recognised best practices, such as the recommendations from the Financial Action Task Force on beneficial ownership.

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IS THE COMMITMENT SELECTED FOR MONITORING: YES

COMMITMENT 6: Extractive industries transparency: Australia will enhance disclosure of company payments and government revenues from the oil, gas and mining sectors, by implementing the Extractive Industries Transparency Initiative (EITI) Standard and continuing to support EITI principles around the world.

IS THE COMMITMENT SPECIFIC? YES

The first part of this commitment, namely that Australia will implement the EITI, is specific. The EITI is well known and widely implemented, and a commitment to implement the EITI therefore moves Australia towards achieving a recognised international standard in the area of extractive industries transparency. The second part of the commitment is not specific because it is a general statement of intent only.

IS THE COMMITMENT MEASURABLE? YES

The first part of the commitment is measurable. The EITI standard contains a clear process by which countries become an implementing country, and then how they must implement the EITI. This includes the implementing government issuing a public statement of its intention to implement the EITI, appoints a senior official to lead the implementation and establishes a functioning multi-stakeholder group that involves the government, companies and the full, independent, active and effective participation of civil society. Progress on the EITI standard can be measured. The second part of the commitment is not measurable because it is not clear how Australia will support EITI principles around the world.

COMMITMENT 7: Combating corporate crime: Australia will strengthen its ability to prevent, detect and respond to corporate crime, particularly bribery of foreign public officials, money laundering, and terrorism financing, by strengthening relevant legislation including the Criminal Code Act 1995 and the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.

IS THE COMMITMENT SPECIFIC? YES

This commitment is specific because it identifies a sufficiently narrow policy area, namely to prevent, detect and respond to corporate crime, particularly bribery of foreign public officials, money laundering and terrorism financing.

IS THE COMMITMENT MEASURABLE? YES

This commitment is measurable as it identifies a clear action to strengthen relevant legislation, particularly the Criminal Code Act 1995 and the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. Australia’s First Open Government National Action Plan (for the years 2016 to 2018),24 which is where this commitment was first made (commitment 1.4), identifies the removal of unnecessary barriers to effective prosecution and the introduction of a possible deferred prosecution scheme as important aspects of strengthening the legislative regime. The national action plan also committed to reviewing the Australian Securities and Investments Commission’s enforcement regime.

**IS THE COMMITMENT SELECTED FOR MONITORING**

YES

**COMMITMENT 8: Addis Tax Initiative:** Australia will double its investments to support developing countries to strengthen their tax systems by 2020, which includes efforts to counter tax avoidance and evasion.

**IS THE COMMITMENT SPECIFIC?**

YES

The commitment is sufficiently specific because it identifies a narrow policy area, namely support for developing countries to strengthen their tax systems. Information published by the Addis Tax Initiative suggests this commitment is in the form of official development assistance to support the domestic resource mobilisation programmes.25

**IS THE COMMITMENT MEASURABLE?**

YES

The commitment is measurable because it identifies the concrete action of doubling support to developing countries. Data published by the Addis Tax Initiative suggests that, in 2015, Australia provided US$11 million to partner countries to support domestic resource mobilisation.26 Whether the amount of development assistance provided since then has doubled can be measured.

**IS THE COMMITMENT SELECTED FOR MONITORING**

YES

**COMMITMENT 9: Implementation of the UNCAC in the Indo-Pacific:** Australia will support countries in the Indo-Pacific region to strengthen the implementation of the United Nations Convention Against Corruption (UNCAC) via partnerships with UN agencies, including in the Pacific ($5.56 million (AUD) July 2016–June 2020) and South and Southeast Asia ($7.47 million (AUD) October 2016–September 2020).

**IS THE COMMITMENT SPECIFIC?**

YES

The commitment is specific because it has a clear policy focus, namely it identifies the provision of financial support to countries in the Indo-Pacific region to strengthen the implementation of the United Nations Convention against Corruption (UNCAC).

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**IS THE COMMITMENT MEASURABLE?**

YES

The commitment is measurable as the level of Australian support for UNCAC implementation has been clearly stated through the concrete action of providing an exact financial commitment to specific regions in the Indo-Pacific region.

**IS THE COMMITMENT SELECTED FOR MONITORING**

YES

**COMMITMENT 10: Asset recovery and return**

Australia will continue to support effective regional forums for asset recovery, including the Asset Recovery Interagency Network for Asia-Pacific (ARIN-AP) and the Camden Asset Recovery Inter-Agency Network (CARIN).

**IS THE COMMITMENT SPECIFIC?**

NO

While this commitment has a narrow policy focus, it is not sufficiently specific because it is merely a description of the continuation of existing work.

**IS THE COMMITMENT MEASURABLE?**

NO

This commitment is not measurable because specific forms of support had not been identified.

However, we note that Australia is a member of the Asset Recovery Interagency Network for Asia-Pacific (ARIN-AP) and the Camden Asset Recovery Inter-Agency Network (CARIN), and between 2018 and 2021 that Australia delivered technical assistance and training to partner countries in the Asia-Pacific region on strengthening criminal asset confiscation regimes and combating money laundering. The delivery of technical assistance was not identified at the 18th IACC in 2018 nor was a budget for this support over the 2018-2021 period. Further, information received from Australian government representatives has confirmed that the provision of technical assistance, and funding for this, will end in mid-2022, with regional support provided on an ad-hoc basis in the future.

**IS THE COMMITMENT SELECTED FOR MONITORING**

NO

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27 Pers comms, government department official
COUNTRY CONTEXT

Transparency International’s annual Corruption Perception Index (CPI) put Australia in 11th place globally in 2020, scoring 77 points on the 100-point scale. Australia’s score has dropped 8 points since its peak in 2012, and since 2016 it has remained stagnant at 77 points. The CPI is an index which ranks countries by their perceived levels of public sector corruption, as determined by expert assessments and opinion surveys. However, even countries that perform well in the CPI (and other governance indicators) have their own integrity challenges, and many have had their own corruption scandals.

The single biggest problem for integrity in Australia is diminishing public trust that decision making is fair, honest and free of undue influence. While overall citizen confidence in the competence of government rose, so too did public concern over the size of corruption as a problem in government (from 61 per cent of citizens in 2018 to 66 per cent in October 2020). Further, there has been no significant improvement in public beliefs that governments are doing a good job of curbing corruption. Transparency International’s 2017 Global Corruption Barometer found that 34 per cent of people thought corruption had increased in previous 12 months.

Questionable public spending and opaque decision making have dominated media headlines in recent years. The so-called “sports rorts” and commuter car parks sagas (among others) revealed that public funds may have been misappropriated and misused for political purposes. Concerns have also been raised by civil society groups, prominent Australians and the general public about the lack of accountability and transparency around the National COVID-19 Coordination Commission, and scandal has surrounded the former attorney general’s decision to accept the payment of his legal fees from a “blind trust”.

Further, while individuals and civil society organisations are allowed to exercise their rights to freedom of association, peaceful assembly and expression, violations of these rights also take place. CIVICUS, a global civil society network, downgraded its civic space rating for Australia from open to narrowed in 2019, citing concerns about incursions on free speech, increased use of

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22 For example, the World Bank’s Worldwide Governance Indicators rates Australia highly including on indicators related to voice and accountability, rule of law and control of corruption. [https://info.worldbank.org/governance/wgi/Home/Reports](https://info.worldbank.org/governance/wgi/Home/Reports)
24 Transparency International Australia and Griffith University, Australia’s National Integrity System: The Blueprint for Action, November 2020
25 Transparency International Australia and Griffith University, Australia’s National Integrity System: The Blueprint for Action, November 2020

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surveillance and crackdowns on protesting. An open civic space is important because, among many other things, it can enable corruption to be uncovered and enable citizens to demand better integrity from government and other stakeholders.

Concerns also exist about the protections offered to whistleblowers and journalists. For example, recommendations were made to Australia by other states at Australia’s 2021 Universal Periodic Review to repeal laws that criminalise public interest reporting, and that national security laws that violate the privacy of journalists and whistleblowers are also repealed. High profile whistleblowers – including tax office whistleblower Richard Boyle and defence and intelligence whistleblowers David McBride, Bernard Collaery and Witness K – have faced prosecution and potentially lengthy jail terms, for revealing so-called protected information. The ability of journalists to do their work, particularly public interest investigative journalism, has also been tested. For example, in June 2019, the Australian Federal Police executed search warrants at the home of a federal political journalist in Canberra and the Sydney headquarters of ABC as part of an investigation into possible criminal offences by journalists for receiving and publishing unauthorised disclosures of government information. Reporters Without Borders ranked Australia 25 in the world in 2021 in its World Press Freedom Index and notes that, despite appearances, press freedom is fragile in Australia.

The private sector has also been subjected to its own share of scandal. The Victorian Royal Commission into Crown Casino’s suitability to hold a casino licence found evidence of Crown’s links to criminal gangs and repeated breaches of money laundering laws. In 2020, one of Australia’s largest banks, Westpac, paid a record AUD$1.3 billion (US$0.9 billion) penalty for its breaches of anti-money laundering and counter-terrorism financing laws, and a couple of years earlier the Commonwealth Bank of Australia paid a AUD$700 million (US$500 million) penalty for serious breaches of these same laws. The Pandora Papers revealed that approximately 400 Australians were found to have created offshore structures and trusts in tax havens like Panama, Dubai, Monaco, Switzerland, the Cayman Islands and Samoa. While many of these structures and trusts may be legitimate, they can also be used to hide illicit money flows, the proceeds of crime and corruption or to enable bribery, money laundering, tax evasion and terrorism financing.

There has been much debate at the political level and among the general public about the need for, and form and scope of, a national anti-corruption body. In December 2018, the Australian government promised the establishment of a Commonwealth Integrity Commission, if re-elected in 2019, and proposed a model for such a commission. The proposal is for a commission designed to strengthen integrity arrangements across the federal public sector with powers to investigate corruption in the public sector. The proposal was subject to a public consultation process, and draft

legislation was published in late 2020, with a national consultation process established. A government bill to set up the Commonwealth Integrity Commission has not yet been introduced to parliament. It has now been more than 1,000 days since the government committed to legislate a national integrity commission, and with a federal election due before the middle of 2022, the issue is likely remain in the public eye.

The government’s draft legislation has attracted widespread criticism – including from the opposition and many crossbenchers in the parliament, as well as a cross section of integrity and anti-corruption experts, former judges and academics, among others. With an election to be held prior to May 2022, limited parliamentary sitting days remaining and risks of “floor-crossing”, the bill’s fate in parliament (should it be introduced into the parliament) is not clear. However, what is clear is that there is widespread public support for the establishment of a national integrity or anti-corruption commission of some sort. One poll puts public support for some form of national anti-corruption body at 81 per cent. There is also strong support for a national integrity or anti-corruption commission from across the parliament. A private members bill to establish a federal integrity commission was introduced to parliament in 2020, although it has never been debated, despite numerous calls to do so. More recent attempts to debate the bill in parliament failed.

A national integrity or anti-corruption commission, if properly designed and funded, would be an important part of Australia’s anti-corruption framework. What is missing though is a national anti-corruption framework or plan, which is a recognised practice to ensure effective and coordinated approaches by states for curbing corruption. Such a plan would help ensure that Australia’s anti-corruption efforts are both comprehensive and strategic, and work as a connected framework. The closest Australia came to such a strategy was an official process conducted between 2011 and 2013 to develop a national anti-corruption plan. However, this was never finalised. A government commitment to develop such a plan would be welcome.

The context described above highlights the value of many of the commitments made by Australia at the 2018 IACC. Government commitments to investigate options for strengthening the national anti-corruption framework and enhancing the transparency of political donations and funding (for example, to set political donation limits and real-time public disclosure requirements for donations) would, if translated into concrete action, go some way to addressing diminishing public trust that decision making is fair and free of undue influence. However, the gaps in the framework and how these may be closed should be identified in close consultation with civil society to generate public trust in the effectiveness of such mechanisms. While the expansion of open contracting in Australia during the monitoring period is important (and was one of the commitments made at the 18th IACC), it does not address the underlying concern that decision making is not always fair and without undue influence by special interest groups or for political gain.

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56 See for example Resolution 5/4 of the Firth session of the Conference of the States Parties to the United Nations Convention Against Corruption
57 Transparency International Australia and Griffith University, Australia’s National Integrity System: The Blueprint for Action, November 2020
Strengthening the national anti-corruption framework and improving the transparency of political donations may counter the concern that decision making is not always fair and help improve the public belief that governments are working hard to fight corruption. The commitments to strengthen whistleblower protections and Australia’s anti-money laundering and counter-terrorism financing laws, and to improve the transparency of beneficial ownership and of the extractive industries remain highly relevant to the Australian context. However, these commitments need more concrete action, including, for example, establishing a centralised and publicly accessible beneficial ownership register for companies, nominee directors and trusts, and to address risks and gaps in the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, including to extend the act to include designated non-financial business or professions (for example, lawyers, accountants and real estate agents). What is also needed is a commitment to follow international best practices and standards (such as the standards established by the Financial Action Task Force on beneficial ownership and anti-money laundering) and, importantly, to increase political will to take meaningful action on corruption and integrity issues.
PROGRESS ON COMMITMENT IMPLEMENTATION

COMMITMENT NAME: Expand open contracting and due diligence in procurement: Australia will publish federal government procurement data using the Open Contracting Data Standard schema and review existing procurement due diligence processes.

THEMATIC AREA: public integrity

COMMITMENT TIMEFRAME: September 2018–August 2020


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In January 2019, the Department of Finance updated the Australian government’s procurement and contracting portal, AusTender, to include the publication of data in the Open Contracting Data Standard (OCDS).58 A new programming interface also allowed other applications to interact with the database, making it easier for stakeholders to access and use the data.

The Department of Finance also completed a review in 2020 of due diligence processes in government procurement. However, for unknown reasons, this review has not been published, although a summary of the review was presented to the Open Government Partnership multi-stakeholder forum.59 Because the review was not published, which is contrary to the original commitment, this commitment is considered only partially fulfilled. The Department of Finance told the multi-stakeholder forum that there is no “one size fits all” approach to due diligence across the Commonwealth and that different government entities approach due diligence in various ways, depending on the size, scope and risk of the procurement, and the type of goods or services being procured. It was also reported that some government entities have developed due diligence requirements. Further, it was reported to the multi-stakeholder forum that, based on findings from the review, the Department of Finance will develop due diligence guidance to assist officials in meeting their accountability and transparency obligations and help agencies achieve value for money in their procurements, and that the department will continue to encourage collaboration and discussion on due diligence in procurement between Commonwealth entities through various forums, such as outreach sessions with senior procurement officials across the Commonwealth and through Finance’s Community of Practice. It is not clear if or how these recommendations have

been acted on. Finally, government procurement rules, published in December 2020, do not cover due diligence.

**Challenges to effective commitment implementation**

Civil society members of the multi-stakeholder forum have expressed frustration that the due diligence presentation to the forum "was not sufficiently detailed for it to meet the commitment’s original aim of publishing the outcome of the review". Further, not publishing the review is contrary to the values of the Open Government Partnership, which includes a commitment to transparency. The December 2020 update to government procurement rules was a potential missed opportunity to strengthen due diligence requirements.

**Recommendations**

More work could be done to strengthen and make public anti-corruption due diligence processes in Australian government procurement rules. The Open Government Partnership multi-stakeholder forum is useful for the Department of Finance to seek feedback on strengthened rules, which it told the multi-stakeholder forum it would do. The original review of due diligence processes should also be published to inform the development of strengthened and consistent due diligence processes across all of government.

**COMMITMENT NAME:** Improve whistle-blower protections in the tax and corporate sectors: Australia will strengthen protections for people who report corruption, fraud, tax evasion or avoidance, and misconduct within the corporate sector.

**THEMATIC AREA:** legislative and institutional framework

**COMMITMENT TIMEFRAME:** December 2016–ongoing

**COMMITMENT SOURCE:** Australia’s First Open Government National Action Plan 2016-2018

**Current level of progress in commitment implementation**

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In February 2019, the Treasury Laws Amendment (Enhancing Whistleblower Protections) Bill 2017 finally passed both houses of parliament and became law. The bill amended the Corporations Act 2001 to consolidate and broaden protections and remedies for corporate and

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financial sector whistleblowers and amended the Taxation Administration Act 1953 to create a whistleblower protection regime for the disclosure of information by individuals regarding breaches of tax laws or misconduct relating to an entity’s tax affairs.

In many respects, Australia’s private sector whistleblower protections are now world leading, including that whistleblowers can seek compensation and other remedies when they experience reprisal and where organisations fail in their duty to prevent detrimental acts to seek compensation and other remedies. However, only half of the recommendations of the Parliamentary Joint Committee on Corporations and Financial Services inquiry into whistleblower protections have been implemented, and some stakeholders believe that more needs to be done to strengthen whistleblower protections, including addressing shortcomings in the Corporations Act. The commitment is therefore considered partially fulfilled.

Challenges to effective commitment implementation

The initial reforms occurred when there was interest and support from the Commonwealth Treasury, the relevant minister and the parliament (the relevant minister has changed since then). However, there has been no progress since the passing of the Treasury Laws Amendment (Enhancing Whistleblower Protections) Bill to further strengthen Australia’s whistleblower protections, including to address the outstanding recommendations from the Parliamentary Joint Committee on Corporations and Financial Services inquiry. Some stakeholders have the sense – based on several interviews conducted for this report – that the government has no interest in doing so.

Opportunities to accelerate commitment implementation

This commitment focussed on whistleblower protection in the private sector only, not in the public sector. In 2019, the Senate referred an inquiry into press freedom to the Environment and Communications References Committee. The inquiry terms of reference included the whistleblower protection regime and protections for public sector employees. The committee has since recommended that the Australian government expedite reforms to the Public Interest Disclosure Act 2013 to address the deficiencies (including that disclosures are not always adequately investigated or the conducted report addressed) within existing legislative protections for disclosers (whistleblowers). There is, therefore, an opportunity for further whistleblower reform, including supporting a consistent and coherent national approach to whistleblower protection across Australia’s public sector and business organisations.

Recommendations

65 See for example, Transparency International Australia and Griffith University, Australia’s National Integrity System: the Blueprint for Action, November 2020
66 Transparency International Australia and Griffith University, Australia’s National Integrity System: The Blueprint for Action, November 2020
67 Stakeholder interviews, November 2021
It is recommended that Australia enhance protections for whistleblowers, addressing the outstanding recommendations from the Parliamentary Joint Committee on Corporations and Financial Services inquiry, and to:70

– ensure public interest whistleblowers (both private and public) have effective access to remedies for any detriment suffered for reporting, whether through acts or omissions
– establish consistent best practice thresholds across sectors for onuses of proof, public interest costs indemnities, exemplary damages and civil penalties
– establish a reward and legal support scheme based on returning a proportion of the financial benefits of disclosures directly to whistleblower welfare
– establish a whistleblower protection authority to assist reporters, investigative agencies and regulators with advice, case support, enforcement action and remedies for detrimental conduct

COMMITMENT NAME: Improve beneficial ownership transparency: Australia will improve transparency of information on beneficial ownership and control of companies available to relevant authorities.

THEMATIC AREA: business integrity

COMMITMENT TIMEFRAME: December 2016–ongoing


Current level of progress in commitment implementation

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Independent reviews of Australia’s Open Government National Action Plans found that the government has made no progress in meeting its commitment to improving beneficial ownership transparency,71 a commitment which was first made in Australia’s First Open Government National Action Plan (2016-2018, commitment 1.2) and at the Anti-Corruption Summit in London in 2016.72 Recent media reporting suggests that Australia has backed away from establishing a beneficial ownership register.73 Such a register would be consistent with internationally recognised best practice and is what we understand this commitment would ultimately deliver. Instead, and in response to media questioning on whether the government still intends to introduce a beneficial ownership register, the government has referred to its Modernising Business Registers programme.74 This programme, which will be implemented between 2021 and 2024, will bring together the Australian Business Register and more than

70 Transparency International Australia and Griffith University, Australia’s National Integrity System: The Blueprint for Action, November 2020
74 Questions from Four Corners to Treasurer Josh Frydenberg available at https://www.documentcloud.org/documents/21075380-response-from-treasurer-josh-frydenberg-to-four-corners
30 Australian Securities and Investments Commission (ASIC) registers into one place. There has been no indication from the government that it will progress public beneficial ownership disclosure as part of the Modernising Business Registers programme, although the treasurer has said the programme would "enable the development of a beneficial ownership register". Further, the use of nominee shareholdings and directors is a particular challenge to revealing who the true beneficial owners are, and there has been no change to the way these are allowed to operate in Australia.

Challenges to effective commitment implementation

While COVID-19 has created challenges at the public service and ministerial levels to pursue new policy reforms in some areas, including on beneficial ownership, there is a sense from some stakeholders that the government has little interest in this policy area or in making progress in this commitment. Stakeholders noted in interviews that there has been no substantial action since a 2017 public consultation on beneficial ownership, and research for this report was unable to identify a treasury official working on beneficial ownership transparency.

Opportunities to accelerate commitment implementation

Improving beneficial ownership transparency is a key tool in the fight against corruption, tax evasion, money laundering and other financial crimes. The Financial Action Task Force has a recommendation on beneficial ownership (and is considering potential changes to its recommendation). The EITI standard recommends that implementing countries maintain a publicly available register of the beneficial owners of the companies that apply for or hold an interest in an exploration or production licence for oil, gas or mining; and beneficial ownership transparency is on the agenda of the G20 Anti-Corruption Working Group. Each of these initiatives, of which Australia is a member or supporter, offers a platform where Australia can signal its intention to develop a beneficial ownership register. Further, the Modernising Business Registers programme potentially offers a foundation on which to develop a public beneficial ownership register. Finally, the current inquiry into the adequacy and efficacy of Australia’s anti-money laundering regime (discussed below) offers another opportunity for government to accelerate the implementation of this commitment; beneficial ownership transparency is widely recognised as a key pillar of anti-money laundering systems.

77 Questions from Four Corners to Treasurer Josh Frydenberg available at https://www.documentcloud.org/documents/21075380-response-from-treasurer-josh-frydenberg-to-four-corners
78 See for example Open Government Partnership Australia, Independent Reporting Mechanism (IRM); Australia Transitional Results Report 2018–2020
79 The Financial Action Task Force (FATF) is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. Australia is a FATF member.
Recommendations

It is recommended that Australia establish a centralised and publicly accessible beneficial ownership register for companies and trusts. Such a register should clearly define beneficial ownership, require independent verification of beneficial ownership data, close loopholes that allow anonymity (including use of shareholder nominees) and increase ownership transparency of foreign companies.83

COMMITMENT NAME: Extractive industries transparency: Australia will enhance disclosure of company payments and government revenues from the oil, gas and mining sectors, by implementing the Extractive Industries Transparency Initiative (EITI) Standard and continuing to support EITI principles around the world.

THEMATIC AREA: business integrity

COMMITMENT TIMEFRAME: September 2016–ongoing


Current level of progress in commitment implementation

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In 2016, Australia pledged to implement the EITI.84 Five years after this commitment was made, it has not yet done so. The multi-stakeholder group, which comprises government, industry and civil society stakeholders, was established in November 2016 but has not met since 2019. Establishing a multi-stakeholder group, along with the government issuing a public statement of its intention to implement the EITI and appointing a senior official to lead the implementation, are key first steps in implementation. Critically, regular disclosure of extractive industry data consistent with the EITI standard has not occurred.

Recent correspondence from the relevant minister to Publish What You Pay Australia states that Australia’s decision to join the EITI was based on the 2013 EITI standard.85 The standard has subsequently been revised to require disclosure of more information – including beneficial ownership, contracts and environmental information – than the initial focus on revenue payments to government and which “may pose some challenges in Australia”, the minister said, although what these challenges are was not elaborated on in the minister’s letter to Publish What You Pay Australia.

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85 Letter from the Hon Keith Pitt, Minster for Resources, Water and Northern Australia to Clancy Moore, National Director, Publish What You Pay Australia, https://static1.squarespace.com/static/5dfc4510ad88600d539f3358/t/613fe5bb1af9529964c67bf/1631580006564/MC21-007828+Mr+Clancy+Moore.pdf
The minister also stated that, until the government’s review of the Voluntary Tax Transparency Code (a set of principles and minimum standards to guide businesses on the public disclosure of tax information) is complete, it would be premature to reconvene the EITI multi-stakeholder group.66 The review of the Voluntary Tax Transparency Code commenced in 2018,87 and the Board of Taxation published its review of the Tax Transparency Code in February 2019.88 although no action has been taken since then. Establishing a multi-stakeholder group is a key step in EITI implementation and is something for which civil society groups in particular have been advocating.

Challenges to effective commitment implementation

Failure to implement the EITI comes despite support for the initiative from civil society and the resources sector, including from Australian companies participating in the EITI in other jurisdictions.89 Political interest in and will to implement the EITI has waned since Australia first pledged to join the EITI.90 There is a sense from some stakeholders that the government considers issues of corruption and improved governance in the extractive industries to be a problem for other countries, not for Australia. There is also a sense from some stakeholders that Australia is hiding behind the review of the tax transparency code, and that the code does not meet the standards for disclosure established by the EITI.

Opportunities to accelerate commitment implementation

Australia is an EITI “supporting country”91 and, in 2020, committed AUD$1.2 million (US$885,000) to support the EITI from 2020–2023.92 Australia is also a donor to the World Bank Extractives Global Programmatic Support Multi-donor Trust Fund, which, among other things, supports partner countries to implement the EITI. Australian support for EITI could be two-fold: support to other countries to implement the standard and domestic implementation. The next EITI global conference, scheduled for 2022, presents an opportunity for Australia to recommit to not just funding the EITI but implementing the EITI too.

Recommendations

It is recommended that Australia appoint a senior official to lead implementation and reconvene the multi-stakeholder group as a first step in implementing the EITI. The multi-stakeholder group should then be supported to develop a costed work plan that sets out the objectives and timelines for EITI implementation in Australia. Such timelines should aim to ensure publication of Australia’s first EITI report within 18 months of the multi-stakeholder group reconvening.

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70 Stakeholder interviews, November 2021
71 EITI, Supporting Countries, https://eiti.org/supporters/countries
It is also recommended that EITI supporting companies do more to publicly advocate for EITI implementation in Australia, including by directly appealing to the relevant minister to reconvene the multi-stakeholder group as a matter of urgency, and supporting EITI implementation in relevant industry and government forums and through collaboration with civil society.


THEMATIC AREA: legislative and institutional framework

COMMITMENT TIMEFRAME: December 2016–December 2019


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The Crimes Legislation Amendment (Combatting Corporate Crime) Bill 2019 (which would amend the Criminal Code Act 1995) is a key reform aimed at combatting corporate crime. The bill would amend the offence for bribery of foreign public officials in the Commonwealth Criminal Code to remove impediments to the successful investigation and prosecution of foreign bribery (including, for example, by replacing the existing requirement that the benefit or business advantage be “not legitimately due” with the broader concept of “improperly influencing” a foreign public official) and introduce a new corporate offence of failing to prevent foreign bribery by an associate.93 The bill also introduces a Commonwealth Deferred Prosecution Agreement scheme for serious corporate crime and amends the definition of dishonesty in the criminal code to reflect current high court jurisprudence and ensure persons who intentionally engage in dishonest criminal conduct can be better held to account.94 Aspects of the bill have been modelled on measures in the UK and US, which have successfully incentivised anti-bribery corporate compliance, self-reporting and cooperation by companies with law enforcement agencies where an offence has been committed. The bill also requires the attorney general to publish guidance on the steps a corporation can take to prevent an associate from bribing foreign public officials (the so-called adequate procedures guidance). A consultation draft was published in November 2019,95 and final guidance will be published when the bill becomes law. Civil society stakeholders have commended the efforts of the Attorney-General’s Department staff to further this and their willingness to engage with the private sector and civil society to develop the draft guidance. The bill would further implement Australia’s obligations under the OECD Anti-Bribery Convention. The OECD Working Group on

Bribery has welcomed the introduction to parliament of the Crimes Legislation Amendment (Combatting Corporate Crime) Bill. However, parliament has not yet passed the bill.

Strengthening the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) is another key element of the commitment. In December 2020, the Anti-Money Laundering and Counter-Terrorism Financing and Other Legislation Amendment Bill 2019 passed the parliament. The bill implemented some welcome but modest measures to strengthen Australia’s capabilities to address money laundering and terrorism financing. However, the AML/CTF Act does not currently extend to designated non-financial business or professions (DNFBPs), which can be a high-risk enabler for money laundering. DNFBPs include casinos, real estate agents, lawyers and accountants. The real estate sector, for example, has continually been identified as a weak spot in Australia’s AML/CTF regime (including by the Financial Action Task Force) because large sums of illicit funds can be concealed and integrated into the legitimate economy through real estate. The Financial Action Task Force has expressed concern that no legislative or regulatory measures have been promulgated in Australia to mitigate the high risks identified with some types of DNFBPs, and that some types of DNFBPs are not monitored by competent authorities and are not subject to suspicious transaction reporting obligations. More generally, Australia has low compliance with the Financial Action Task Force recommendations.

Australia also invests in preventing corporate crime through other initiatives. One such initiative is the Bribery Prevention Network (BPN). The BPN is a partnership between government (namely the Attorney-General’s Department and the Australian Federal Police), the private sector and civil society (Transparency International Australia is a founding member and has a seat on the initiative’s steering and editorial committees) aimed at supporting Australian businesses to prevent, detect and address bribery and corruption risks. It provides resources and guidance, through the BPN portal, webinars and case studies, and is directed at smaller businesses that have fewer internal resources to manage bribery risks. The initiative is the first of its kind and has been recognised by the OECD Working Group on Bribery as making an important contribution to bribery prevention. The Australian Federal Police also undertakes foreign bribery enforcement action and other programmes including, for example, to incentivise self-reporting and cooperation from companies who believe they may have breached Australia’s foreign bribery laws.

While there has been important legislative development work, development of guidance for the corporate sector and anti-corruption enforcement in the period between 2018 and 2021, the

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commitment is focussed on achieving legislative change which has not occurred. The commitment is therefore assessed as being not fulfilled.

Challenges to effective commitment implementation

The Crimes Legislation Amendment (Combatting Corporate Crime) Bill was initially introduced into parliament in 2017, lapsed in 2019 due to the federal election, and was then subsequently reintroduced in December 2019. It is still awaiting debate, although with a federal election due by May 2022 and limited parliamentary sitting days before then, the bill may lapse again.

Australia has been considering passing the so-called second tranche of its AML/CTF Act since 2006; this second tranche should bring DNFBPs into the AML/CTF Act and would address high-risk areas for money laundering and a key gap in Australia’s AML/CTF regime.

COVID-19 has affected the parliamentary sitting calendar, with fewer sittings in 2020 and 2021, limiting the opportunity for debate on these and other legislative reforms. However, some stakeholders cite a lack of political will and interest on the part of government in progressing these reforms for political reasons; this is despite some very good work done by relevant government departments. Stakeholders have also noted that there has been strong lobbying from some sectors, including the legal profession, arguing against expanding the scope of the AML/CTF Act to many types of DNFBPs.

Opportunities to accelerate commitment implementation

The Senate Standing Committee on Legal and Constitutional Affairs is currently conducting an inquiry into the adequacy and efficacy of Australia’s AML/CTF regime and recently held a public hearing. Transparency International Australia made a submission and was called as a witness. The inquiry offers an opportunity for government to accelerate implementation of this commitment. The committee is due to report in March 2022. The report will be published, as is usual practice for parliamentary inquiries, and that report can be expected to usefully inform options for further legislative reform, including with regards to DNFBPs.

Recommendations

It is recommended that the Crimes Legislation Amendment (Combatting Corporate Crime) Bill 2019 be passed by parliament as a matter of urgency.

It is also recommended that legislation be developed and introduced to parliament to address risks and gaps in the AML/CTF Act, this must include extending the AML/CTF Act to include all DNFBPs including real estate agents, lawyers and accountants.

106 Stakeholder interviews, November 2021

107 See for example the Law Council of Australia submission the Senate Standing Committee on Legal and Constitutional Affairs inquiry into the adequacy and efficacy of Australia’s AML/CTF regime, https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/AUSSTRAC/Submissions


COMMITMENT NAME: Addis Tax Initiative: Australia will double its investments to support developing countries to strengthen their tax systems by 2020, which includes efforts to counter tax avoidance and evasion.

THEMATIC AREA: international cooperation and support

COMMITMENT TIMEFRAME: May 2016–June 2020

COMMITMENT SOURCE: 2016 Anti-Corruption Summit

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Australia doubled its support for tax policy and administration reform from AUD$10.8 million (US$7.7 million) in 2015 to AUD$21.7 million (US$15.5 million) in 2020. This support was aimed at strengthening tax systems and enhancing domestic revenue mobilisation in partner countries and is consistent with Australia’s commitment to the Addis Tax Initiative (ATI). This support was delivered through Australia’s international development programme.

Technical assistance to partner countries is delivered by the Australian Treasury and Australian Tax Office. In 2021, for example, the Australian Tax Office provided assistance to Indonesia, Papua New Guinea, Fiji, Palau and the Philippines, and worked with multilateral organisations, including the Study Group on Asian Tax Administration and Research (SGATAR) and Pacific Islands Tax Administrators Association (PITAA), collaborating on key issues affecting revenue administration in the region. The Australian Tax Office is also supporting tax and financial crime projects in the region. This includes support for the Mekong-Australia Program on Transnational Crime, and OECD Asia-Pacific Academy for Tax and Financial Crime Investigation, where the Australian Tax Office is providing skills training to partner countries to detect and investigate financial crimes and recover the proceeds of those crimes, and to strengthen anti-money laundering capacities.

Opportunities to accelerate commitment implementation

The 2030 Agenda for Sustainable Development recognises the importance of domestic revenue mobilisation, and calls for international support to developing countries to improve domestic capacity for tax and other revenue collection. In November 2020, Australia reaffirmed its commitment to the ATI. Under the ATI Declaration 2025, Australia committed to the collective global target of US$441.1 million annually to maintain support for domestic revenue mobilisation at 2020 levels to 2025. Australia’s notional share of this collective global target is AUD$21.7 million (US$15.5 million) each year to 2025.

113 Pers comms, government department official
Recommendations

It is recommended that Australia continue to support work to enhance domestic revenue mobilisation through ongoing financial and technical support to its development partners. Australia should contribute its fair share of the global target of US$441.1 million for domestic revenue mobilisation agreed under the ATI Declaration 2025.

COMMITMENT NAME: Implementation of the UNCAC in the Indo-Pacific: Australia will support countries in the Indo-Pacific region to strengthen the implementation of UNCAC via partnerships with UN agencies, including in the Pacific ($5.56 million (AUD) July 2016–June 2020) and South and Southeast Asia ($7.47 million (AUD) October 2016–September 2020).

THEMATIC AREA: international cooperation and support

COMMITMENT TIMEFRAME: July 2016–September 2020

COMMITMENT SOURCE: 2016 Anti-Corruption Summit

Current level of progress in commitment implementation

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Australia supported implementation of UNCAC in the Pacific through the United Nations Pacific Regional Anti-Corruption (UN-PRAC) project. The project received AUD$6.1 million (US$4.35 million) in support between 2017 and 2020. Australia also supported UNCAC implementation in South and East Asia through a AUD$7.4 million (US$5.27 million) programme delivered between 2016 and 2020. Both programmes were delivered through UN agencies and funded by Australia’s international development programme.

Opportunities to accelerate commitment implementation

Australia is a party to UNCAC and is therefore encouraged to enhance its financial and material assistance to support the efforts of developing countries to prevent and fight corruption effectively, and to help them implement UNCAC. International assistance to support UNCAC implementation in the region is welcomed by stakeholders, including civil society. Ongoing support for UNCAC implementation is consistent with the high priority given to governance, anti-corruption and justice in Australia’s international development programme.

Recommendations

It is recommended that Australia continues to make specific, measurable and timebound commitments to support UNCAC implementation in the region through ongoing financial support to its development partners.
RECOMMENDATIONS

Australia’s progress in implementing commitments made at the 18th IACC is mixed. The commitments made in relation to whistleblower protection, beneficial ownership, extractive industries transparency and combatting corporate crime are either not fulfilled or only partially fulfilled. While some very good work has been done to strengthen whistleblower protection and combat corporate crime, more work is needed, especially by the executive and parliament to bring these into effect through legislation. Yet all four commitments remain important, and the need for reform has become even more urgent. Without action on these issues, Australia risks becoming further out of step with its international peers and out of step with international standards and best practice.

It is recommended that Australia:

- Undertake the necessary actions needed to fulfil commitments made at the 18th IACC on whistleblower protection, beneficial ownership, extractive industries transparency and combatting corporate crime. These are:
  - further work could be done to strengthen anti-corruption due diligence in Australian government procurement rules. The review of due diligence processes conducted in 2020 should be published (as agreed) to inform the development of strengthened due diligence processes
  - enhance protections for whistleblowers including addressing the outstanding recommendations from the Parliamentary Joint Committee on Corporations and Financial Services inquiry
  - establish a centralised and publicly accessible beneficial ownership register for companies, nominee directors and trusts
  - appoint a senior official to lead implementation and reconvene the EITI multi-stakeholder group (which has not met since 2019) as a first step in implementing the EITI. The multi-stakeholder group should then be supported to develop a costed work plan that sets out the objectives and timelines for EITI implementation in Australia.
  - that the Crimes Legislation Amendment (Combatting Corporate Crime) Bill 2019 (which was first introduced to parliament in 2017) be passed by parliament as a matter of urgency
  - that legislation be developed and introduced to parliament to address risks and gaps in the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. This must include extending the act to include designated non-financial businesses and professions.

- Establish a robust, independent national integrity or anti-corruption commission, recognising that there is widespread public and political support for such a commission.

- Develop a national anti-corruption plan to ensure Australia has a comprehensive and strategic approach to protecting public integrity, ensuring business integrity and meeting Australia’s international anti-corruption commitments. This plan should be consistent with the G20 high-level principles for the development and implementation of national anti-corruption strategies and be developed in partnership with civil society.118

- Develop a mechanism – such as a cross-agency task force or community of practice – to bring together the different parts of the public service working on integrity and anti-corruption issues to foster greater coordination, effectiveness, support and momentum on these issues by both the public service and relevant ministers and elected parliamentarians.

Strengthen engagement with civil society in integrity and anti-corruption initiatives, including through forums such as the Open Government Partnership and the Australian National Contact Point for the OECD Guidelines for Multinational Enterprises Governance Advisory Board and with regards to the development and prioritisation of future commitments Australia may make at international forums such as the IACC; such commitments need to be both specific and measurable to have meaning.
ANNEX 1: LIST OF INTERVIEWEES

Persons interviewed during the commitment monitoring – via telephone and teleconferencing, November 2021

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<td>2 Representatives of the Department of the Prime Minister and Cabinet</td>
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<td>3 Civil society representatives of Open Government Partnership Australia</td>
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<td>4 Representatives of the Publish What You Pay Australia</td>
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ANNEX 2: STAKEHOLDERS CONSULTED

Persons engaged during consultation on monitoring findings – via email, November 2021 to January 2022

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<td>Representatives of the Centre for Governance and Public Policy, Griffith University</td>
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<td>4</td>
<td>Representatives of the Department of Industry, Science, Energy and Resources</td>
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